VZCZCXRO5178 PP RUEHDBU DE RUEHTA #0434 0341206 ZNR UUUUU ZZH P 031206Z FEB 06 FM AMEMBASSY ALMATY TO RUEHC/SECSTATE WASHDC PRIORITY 3934 INFO RUEHAH/AMEMBASSY ASHGABAT PRIORITY 6872 RUEHKB/AMEMBASSY BAKU PRIORITY 0621 RUEHEK/AMEMBASSY BISHKEK PRIORITY 7358 RUEHDBU/AMEMBASSY DUSHANBE PRIORITY 1564 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2015 RUEHBUL/AMEMBASSY KABUL PRIORITY 0131 RUEHMO/AMEMBASSY MOSCOW PRIORITY 1132 RUEHSI/AMEMBASSY TBILISI PRIORITY 2173 RUEHNO/USMISSION USNATO PRIORITY 2069 RUEAIIA/CIA WASHDC PRIORITY RHEFAAA/DIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY

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SIPDIS

SENSITIVE SIPDIS

STATE FOR EUR/CACEN, SA (JGASTRIGHT)

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SUBJECT: KAZAKHSTAN: GENERAL WALD, S MEETING WITH ENERGY

EXPERTS; JANUARY 20, 2006

- 11. (SBU) Summary: During a January 19-20 visit to Astana, EUCOM Deputy Commander General Charles Wald discussed energy security with oil and gas company representatives. General Wald underscored the importance of energy as a security issue, informing his interlocutors that NATO's new mission included the protection of energy infrastructure. General Wald encouraged the oil executives to work closely with the GOK on security issues, and briefed the representatives on the regional "Caspian Guard" program. The energy executives pointed out the unique security challenges posed by Kazakhstan's super-giant "Kashagan" field, described "pipeline tapping" as a chronic problem, and suggested that building good relations with local communities was a key to oil field security. End Summary.
- ¶2. (U) On January 20 General Wald discussed energy security with representatives from several oil and gas companies active in Kazakhstan, including Conoco-Phillips, ExxonMobil, Lukoil, KazMunaiGas (the state-owned company), and the CPC Pipeline Corporation.
- 13. (U) General Wald opened the meeting by stating that the free flow of oil was an important security issue, and that part of NATO,s new mission was to protect critical energy infrastructure. Oil companies also had a key role to play in security, he said, and encouraged the sector representatives to work closely with the GOK to address security concerns. General Wald also briefed his interlocutors on the Caspian Guard program, and encouraged them to think of the security implications of further Caspian Sea hydrocarbon development.
- 14. (SBU) Conoco-Phillips, Hakim Janah briefed General Wald on security issues at Kashagan, Kazakhstan,s "super-giant" offshore field, due to begin production in 2009. Security at Kashagan, he said, was complicated by the fact that the field was located in shallow waters (2-4 meters), which froze in the winter. As a consequence, both "onshore" and "offshore" security measures had to be considered. Janah suggested that, in the end, the best security measure a company could take was a robust social program which "won the hearts and minds" of the local population.
- $\P5.$ (SBU) General Wald asked the roundtable participants how the GOK provided for pipeline security, noting that several

neighboring countries, such as Azerbaijan, Turkey, and Georgia, had created their own pipeline security corps within their armed forces. The KMG representative, Sabr Yessimbekov, replied that, in contrast, the GOK relied on a contractor, which in turn hired former military and Interior Ministry officials. While the country had not suffered any terrorist attacks, tapping of the pipelines was a persistent problem. ORDWAY